CHAPTER V.—DEPARTMENTS OF FOOD AND CIVIL SUPPLIES.

(i) Food Supplies.

520. The Director of Food Supplies was requested in January 1955 to examine the possibility of winding up the department by the end of March 1955 in view of the curtailed activities of the Food Department consequent on decontrol and abolishing of rationing. The Director of Food Supplies was of the opinion that the precipitate closing down of the department was likely to create dislocation and confusion in view of the complicated and difficult task of clearance of audit objections to the tune of nearly a crore of rupees. The work of clearance of outstanding audit objections is presenting more difficulty as the concerned officers whose laches might have contributed to the irregularities are no longer in the department. Moreover, the work incidental to the process of winding up of the department which has been in existence for the last 12 years required careful attention. With a view to speed up the process of winding of the department Government directed that certain powers which were till then being exercised by the Director of Food Supplies be delegated to the Deputy Commissioners of Districts with effect from 1st April 1954 and that 50 per cent of the existing staff of the office of the Director of Food Supplies be retrenched with effect from 1st April 1955.

Harvest (Voluntary Purchase of Paddy).

521. The scheme of voluntary purchase of paddy at the notified prices of Rs. 22 and Rs, 20 per palla of I and II varieties of paddy respectively introduced during 1953-54 with a view to avoid the steep fall in open market-prices below the economic level, was given up during the early part of the year as in view of the improved market conditions the need for such assistance to the producers was rendered unnecessary. No grains were procured by Government during the year.

Imports.

522. No foodgrains were imported into the State on Government account during the year.

Stock and distribution.

523. There was an improvement over the previous year in regard to production of paddy, jola and minor millets but owing to inadequate rainfall in a few areas, there was a

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short fall in the production of ragi. The scales of issues of foodgrains under a system of informal rationing were continued to be in force till 9th July 1954, when controls were removed entirely with the concurrnce of the Government of India.

524. Issues from Government stocks were continued for some time longer, but in Government Press Note dated 10th September 1954 it was announced to the public that in view of the large stocks of foodgrains being available in the open markets at reasonable prices and consequent on the low off take of foodgrains in Government Licensed Depots, Government's commitments to supply rice and other foodgrains to consumers intending to draw supplies from Government resources would cease after 1st October 1954 and such consumers would have to obtain their requirements from open markets.

Distribution of food grains

525. In the interest of the consumers, the distribution of foodgrains was continued to be made through the Government and Government licensed depots, Co-operative Societies etc., but with the improvement in the availability of foodgrains in the open markets the number of Government depots was gradually reduced with a view to minimise the cost of distribution to Government.

526. At the beginning of the year, there were 1,290 depots, but by the middle of year, this number had been reduced to 275. Instructions were issued to the Deputy Commissioners of Districts and other Unit Officers to close down all Government Depots with effect from 1st August 1954 and they were also instructed to permit the retail shops to issue rice and sugar in any quantity to any intending purchaser without production of ration cards. Thus the system of issue of foodgrains to the consumers through ration cards which was in vogue for the last 10 years was abolished from 1st July 1954. At the end of the year there were no distribution centres for the supply of Government stocks of foodgrains to the public.

527. The Central Foodgrains (Licensing and Procurement Order, 1952) was working satisfactorily in the State during the year. The scale of licensing and renewal fee under the Licensing and Procurement Order, 1952 was revised and fixed at Rs. 2 by Government in August 1954. The provisions of these orders brought the transactions of

foodgrains by all classes of dealers under strict check and control, enabling the conservation of foodgrains resources of the State for the benefit of the consumers in the State who were able to get their requirements of foodgrains according to their tastes at reasonable rates.

Control over movement.

528. The control over movement of rice from one part of the State to the other was withdrawn from 10th July 1954.

Issues to large employers and Plantation Labour.

529. With the revival of free trade in foodgrains consequent on decontrol and the free availability of foodgrains in the open markets at cheaper rates there was not much demand for the Government stocks of foodgrains from the large employers who used to obtain the requirements of their labourers through Government agency in previous years. There was no demand for supplies to Plantation Labour also.

Supplies to Southern Railways.

530. As in previous years supplies to the Southern Railways were continued till the end of December 1954 at certain average pool rates from which date they discontinued to purchase Government stocks.

531. In July 1954, Government sanctioned the scheme for the issue of "C" and "D" grades of rice, after cleaning, at certain reduced rates to the N. G. Os. on credit basis, the cost being recoverable in five instalments. A quantity of 27,297 pallas and 27 seers of rice was issued under this scheme the transaction resulting in a loss of Rs. 2,48,736 exclusive of the expenditure on cleaning and the value of shortages due to cleaning.

532. In December 1954, as a further measure to ensure the quick disposal of the rice stocks which were in good condition also, arrangements were made for the issue of the same to the N. G. Os. of the State Government on credit basis at the usual selling rates subject to recovery of the cost in six monthly instalments. The issues under this scheme were extended subsequently to the Gazetted Officers of the State and also to the employees of all the Municipal Councils including the City of Bangalore Corporation and the District Boards as well as Government Industrial concerns and Aided Institutions, subject to the responsibility of the Commissioners or Presidents and Mayors in the case of local bodies and the responsibility of the management in the case of Government Industrial Concerns and Aided

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Institutions, to promptly recover the value of credit supply and to remit the amounts to the concerned Unit Officers regularly.

533. In the meantime, as a result of negotiations by correspondence and at Conferences, the Government of India agreed to purchase our rice stocks (both polished and dehusked) up to a limit of 25,000 tons on certain terms and conditions. Arrangements were made for hulling of the stocks of paddy in the districts and the despatch of rice to Bangalore for being handed over to the Central Government.

534. Government godowns, *viz.*, T. N. S. Sheds near Binny Mills, Bangalore, the godowns in Kumara Park and the Government Godowns in Civil Station, Bangalore were handed over to the Central Government for storage purposes on rental basis.

Ragi.

535. As there were large stocks of ragi in possession of Government and as there was practically no offtake Government ordered in January 1955 that in order to facilitate the quick disposal of ragi stocks the Orissa ragi might be issued to the N.G.Os. at four seers per rupee either on credit or on cash basis the quantity to be issued in each case being limited to one bag. As, however, there was no sufficient demand for the purchase of ragi stocks by the N.G.Os. under this scheme, the Deputy Commissioners were requested to dispose of Orissa ragi stocks by calling for tenders.

Rice Mills

536. The scheme of the utilisation of the services of Rice Mill-owners was continued till the end of June 1954 in regard to the purchase of paddy under the voluntary purchase scheme and for the entire year for hulling and despatch of rice under the same terms of agreement as in previous years. As a result of longer storage of paddy during the year also, the mill-owners were given a margin of one per cent towards inherent wastage for the year.

537. The statutory control over rice mills introduced by Government in August 1951 was continued throughout the year and licenses issued in previous years were generally renewed. Thirty-two new licenses were issued during the year. The security deposit of Rs. 100 prescribed for hullers in February 1954 in paddy surplus districts was completely waived in July 1954.

538. During the year, the Ration Card system of distribution which played an important role for over a decade was discontinued from 1st July 1954 thus removing the last vestiges of controlled distribution of foodgrains. The complete decontrol of rice from 10th July 1954 notified by the Government of India was a further decisive step in the direction of elimination of all controls. This enabled the normal channels of trade to function again and foodgrains became available in plenty in the open market. Rationing.

539. The sugar supply position continued to remain satisfactory during the year. Sugar.

540. As during the preceding year, the entire transport work of the department was got done by private transport contractors the rates being fixed on the basis of tenders. Food Transport.

541. The system of procuring supplies of fuel direct from the suppliers on Government account and distribution of the same through the licensed retail dealers was continued in the Bangalore Corporation area during the year. In view of the relaxation of control, fuel stocks moved to Bangalore freely and the supply position was consequently quite satisfactory. A total quantity of 44,374 tons of fuel to Bangalore Civil supplies was supplied through the Government Agency, and a sum of Rs. 35,052 was realised by way of commission on the issues made to the licensees. Fuel Supplies.

542. In view of the satisfactory position of supplies of fuel, Government removed the restriction imposed on the movement and price of firewood and charcoal in all parts of the State from 31st March 1955.

(ii) Food Production.

543. The Department of Food Production continued to work during the year, and the assistance received from the Government of India was distributed among the following works:—

I. Works Schemes.

These Schemes include mostly irrigation works such as sinking of irrigation wells, construction of major